

Manufacturer's Purchase Credit is non-transferable and may not be used to satisfy the tax liability of any taxpayer other than the manufacturer that earned the credit. See Section 130.331(b)(2) and 35 ILCS 105/3-85. (This is a GIL).

July 20, 2000

Dear Xxxxx:

This letter is in response to your letter dated April 21, 2000. The nature of your letter and the information you have provided require that we respond with a General Information Letter, which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120(b) and (c), which can be found on the Department's Web site at www.revenue.state.il.us/legalinformation/regs/part1200.

In your letter, you have stated and made inquiry as follows:

Please provide clarification of the following issue:

An Illinois manufacturer has several manufacturing facilities in Illinois, (Locations 1, 2, & 3, for example) all registered under a single Business Tax Number. Assuming all three locations are manufacturing facilities in which a manufacturing process described in Section 2-45 of the ROT Act takes place, can credit earned at Location 1 be used to satisfy the sales tax liability for purchases of production related items made at Locations 2 and 3?

Please send your response directly to my attention at the following address:

...

If you have any questions regarding this request, please contact me at #####.

The State of Illinois provides a Manufacturer's Purchase Credit in addition to the exemption for manufacturing machinery and equipment. See 86 Ill. Adm. Code 130.331, enclosed. Purchasers of manufacturing machinery and equipment that qualify for the manufacturing machinery and equipment exemption earn a credit in an amount equal to a fixed percentage of the tax that would have been incurred under the Use Tax or Service Use Tax. 35 ILCS 105/3-85 (1996 State Bar Edition); 35 ILCS 110/3-70 (1996 State Bar Edition). The credit may be used to satisfy Use Tax or Service Use Tax liability that is incurred on the purchase of production related tangible personal property that does not qualify for the manufacturing machinery and equipment exemption.

July 20, 2000

Manufacturer's Purchase Credit is non-transferable and may not be used to satisfy the tax liability of any taxpayer other than the manufacturer that earned the credit. See Section 130.331(b)(2) and 35 ILCS 105/3-85. Manufacturers with multiple locations that are all registered under a single Illinois business registration number are considered to be single taxpayers. As such, Manufacturer's Purchase Credit earned by such manufacturers at any one of such multiple locations may be used to satisfy the manufacturers' Use Tax or Service Use Tax liability at any of those locations.

I hope this information is helpful. The Department of Revenue maintains a Web site, which can be accessed at www.revenue.state.il.us. If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of the enclosed copy of Section 1200.110(b).

Very truly yours,

Gina Roccaforte
Associate Counsel

GR:msk
Enc.